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**AGENCY OVERVIEW****108 Secretary of State**

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**Date:** 01/13/2011**Time:** 08:49:31**Statutory Authority**

ND Constitution Article V, Section 12; North Dakota Century Code Title 10 and Title 16.1; North Dakota Century Code Chapters 15.02, 35-01, 35-05, 35-17, 35-21, 35-29, 35-30, 35-31, 41-09, 43-07, 44-06, 45-10, 45-10.1, 45-11, 45.22, 45-23, 47.22, 47-25, 50-22, 53-01, 54-05.1, 54-09, 54-16, and 55-01.

**Agency Description**

The agency is the office of record for certain legal documents generated by the executive and legislative branches of state government; the office of record for public records and notices including various business entities; and it performs a wide range of licensing, regulatory, registration, and administrative functions within four operating units. The agency performs these functions in accordance with the requirements of the state's constitution and laws.

**Agency Mission Statement**

To serve the people of the State of North Dakota and its guests; execute with integrity the duties required by the North Dakota Constitution and the North Dakota Century Code; collect and preserve the records of the State as defined by the law; act as an ambassador for the State of North Dakota, its people, and its way of life. This mission will be dispatched effectively, efficiently, expeditiously, courteously, and with financial responsibility.

**Agency Performance Measures**

Although it does not have a formal written program, the agency's management team and unit leads have access to various processes for tracking productivity, effectiveness, efficiency, quality of customer service, and compliance with laws. It is anticipated the statistical tracking of information will be improved with the agency's migration to a new database and document processing platform, for which funding was approved in the 2009/2011 biennium and for which continued funding is being requested in the agency's 2011/2013 budget request.

**Major Accomplishments**

1. Enhanced agency website, which received approximately 327,000 hits over a 12 month period ending June 30, 2010 on its various pages and sections.
2. Enhanced 24/7 live business records search on agency website which displays data about business entities filed with the agency.
3. Enhanced website for access to annual reports filed by businesses allowing them to complete reports on-line and then print, sign, and mail the reports to the agency.
4. Continued the software development to enable migration of the agency's database from AS/400 platform created in 1988/1992 to a new operating platform. This will allow for on-line filing of many documents and reports which will be very beneficial for the future.
5. Continued the mandated migration of the Central Indexing System (CIS) from the state's mainframe. This will greatly enhance the agency's CIS, which is connected to the state's 53 counties and provides a centralized depository for various lien documents.
6. Continued to enhance the agency's Election Management System (EMS) and Election Administration System (EAS), which provide new and expanded election information on the agency's website about elections, candidates, campaign contributions, voter precinct finder, polling location details and the reporting of election night returns. In addition, it assists in the administration of petition review, poll worker tracking, voting statistics reporting, and early and absentee voting. A specific feature already mentioned was launched in October 2008 that allows the voter to find his or her voting precinct through the use of a house number and zip code.
7. Launched the Central Voter File for use by the counties to track absentee ballots, allow for the efficient management of early voting precincts, and to expedite the voting process on election day.

**Future Critical Issues**

In the statistical data section of the program narrative, the data reveals that since 1995/1997 and through the 2007/2009 biennium, the agency's revenue has steadily increased. The increased revenue is directly related to the increase in the number of registrations, filings, and increased demand for the services provided by the agency. In order to respond to this increased demand, the agency is substantially dependent on the use of information technology (e.g. software, hardware, Internet, etc.), which it uses to provide the timely, accurate, and efficient services expected by the public, businesses, and customers of the agency.

As was also documented in the statistical data section, the agency is processing 61,397 more documents per year than it did in 1995. Therefore, to provide services in a cost effective and efficient manner for the public, it is vitally important that the agency receive support for technology initiatives.

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**AGENCY OVERVIEW****108 Secretary of State**

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**Date:** 01/13/2011**Time:** 08:49:31

The agency is the first place stop and prime filer of a variety of business related information. In other words, business in North Dakota begins with the Secretary of State's office. Therefore, the agency has a key role in the state's e-government initiatives making it imperative the agency has adequate funding and support in order to implement the appropriate technology to meet these goals and provide services the public is requesting. It is critical to continue the migration of the two databases from their current environment to the new platform contracted for in August 2008. The increase in services and productivity will be significant. The funding required for continuing the migration is included as an Optional Request in this budget.

It is also imperative state agencies join together to provide a common portal for customers to enter. Therefore, the agency has been identified as the one to manage the development of the Business Development Engine, which was ranked as the # 6 project by the State Information Technology Advisory Committee (SITAC) and is included as an Optional Request in this budget.

Having the ability to offer competitive salaries is a huge challenge. For example, to hire the last two persons for entry level positions (grade 5), we had to offer salaries that were within a few hundred dollars of the salaries currently being received by agency staff (also grade 5) that has been employed for several years. The agency needs to have competitive grades in its employment structure to be competitive and to pay salaries appropriate for new duties that will result with the new platform and opportunities for cross-training.

**REQUEST SUMMARY**

108 Secretary of State

Biennium: 2011-2013

Bill#: SB2002

Date: 01/13/2011

Time: 08:49:31

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
<b>By Major Program</b>					
Secretary of State Operations	5,666,270	9,796,157	(4,167,753)	5,628,404	7,260,710
Public Printing Leg Law Books	266,465	337,000	(27,000)	310,000	0
Federal Election Reform	2,008,952	8,712,528	(2,512,528)	6,200,000	131,185
<b>Total Major Program</b>	<b>7,941,687</b>	<b>18,845,685</b>	<b>(6,707,281)</b>	<b>12,138,404</b>	<b>7,391,895</b>
<b>By Line Item</b>					
Salaries and Wages	2,691,506	3,179,509	67,945	3,247,454	38,500
Operating Expenses	2,966,557	3,207,950	(835,000)	2,372,950	3,821,512
Petition Review	7,795	8,000	0	8,000	0
ND Business Computer Proj	0	3,400,698	(3,400,698)	0	3,400,698
Election Reform	2,009,364	8,712,528	(2,512,528)	6,200,000	131,185
Public Printing	266,465	337,000	(27,000)	310,000	0
<b>Total Line Items</b>	<b>7,941,687</b>	<b>18,845,685</b>	<b>(6,707,281)</b>	<b>12,138,404</b>	<b>7,391,895</b>
<b>By Funding Source</b>					
General Fund	5,371,641	6,180,009	(821,777)	5,358,232	3,991,197
Federal Funds	1,874,193	8,544,107	(2,494,107)	6,050,000	0
Special Funds	695,853	4,121,569	(3,391,397)	730,172	3,400,698
<b>Total Funding Source</b>	<b>7,941,687</b>	<b>18,845,685</b>	<b>(6,707,281)</b>	<b>12,138,404</b>	<b>7,391,895</b>
<b>Total FTE</b>	<b>27.00</b>	<b>28.00</b>	<b>0.00</b>	<b>28.00</b>	<b>0.00</b>

**REQUEST DETAIL**

108 Secretary of State

Biennium: 2011-2013

Bill#: SB2002

Date: 01/13/2011

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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
<b>Salaries and Wages</b>					
Salaries - Permanent	1,777,153	2,061,761	86,494	2,148,255	0
Temporary Salaries	17,203	18,580	(18,580)	0	0
Overtime	190,201	152,840	19,636	172,476	38,500
Fringe Benefits	706,949	946,328	(19,605)	926,723	0
<b>Total</b>	<b>2,691,506</b>	<b>3,179,509</b>	<b>67,945</b>	<b>3,247,454</b>	<b>38,500</b>

**Salaries and Wages**

General Fund	2,589,488	3,077,138	58,644	3,135,782	38,500
Federal Funds	0	0	0	0	0
Special Funds	102,018	102,371	9,301	111,672	0
<b>Total</b>	<b>2,691,506</b>	<b>3,179,509</b>	<b>67,945</b>	<b>3,247,454</b>	<b>38,500</b>

**Operating Expenses**

Travel	55,026	63,900	0	63,900	19,500
Supplies - IT Software	3,743	7,000	0	7,000	(500)
Supply/Material-Professional	8,547	6,500	0	6,500	(500)
Miscellaneous Supplies	12,305	10,000	0	10,000	(2,000)
Office Supplies	57,083	57,500	0	57,500	(11,650)
Postage	162,990	153,000	0	153,000	12,500
Printing	118,833	122,000	0	122,000	3,650
IT Equip Under \$5,000	4,149	26,000	0	26,000	(5,000)
Other Equip Under \$5,000	0	2,000	0	2,000	0
Office Equip & Furn Supplies	35,310	47,000	0	47,000	(6,000)
Insurance	4,604	3,800	0	3,800	0
Repairs	14,562	21,000	0	21,000	(3,300)
IT - Data Processing	1,697,155	1,604,650	0	1,604,650	183,312
IT - Communications	60,184	81,600	0	81,600	(5,000)
IT Contractual Svcs and Rprs	619,462	830,000	(780,000)	50,000	3,595,000
Professional Development	14,925	20,000	0	20,000	(2,000)
Operating Fees and Services	60,477	57,350	0	57,350	(3,000)
Fees - Professional Services	37,202	39,650	0	39,650	46,500
Other Expenses	0	30,000	(30,000)	0	0
Non-Operating Expenses	0	25,000	(25,000)	0	0
<b>Total</b>	<b>2,966,557</b>	<b>3,207,950</b>	<b>(835,000)</b>	<b>2,372,950</b>	<b>3,821,512</b>

**Operating Expenses**

General Fund	2,477,289	2,739,450	(835,000)	1,904,450	3,821,512
Federal Funds	0	0	0	0	0
Special Funds	489,268	468,500	0	468,500	0

**REQUEST DETAIL**

108 Secretary of State

Biennium: 2011-2013

Bill#: SB2002

Date: 01/13/2011

Time: 08:49:31

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
<b>Total</b>	<b>2,966,557</b>	<b>3,207,950</b>	<b>(835,000)</b>	<b>2,372,950</b>	<b>3,821,512</b>
<b>Petition Review</b>					
Overtime	2,232	0	0	0	0
Office Supplies	134	500	0	500	0
Postage	3,984	5,800	0	5,800	0
Printing	753	1,700	0	1,700	0
Fees - Professional Services	692	0	0	0	0
<b>Total</b>	<b>7,795</b>	<b>8,000</b>	<b>0</b>	<b>8,000</b>	<b>0</b>
<b>Petition Review</b>					
General Fund	7,795	8,000	0	8,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>7,795</b>	<b>8,000</b>	<b>0</b>	<b>8,000</b>	<b>0</b>
<b>ND Business Computer Proj</b>					
Other Expenses	0	3,400,698	(3,400,698)	0	3,400,698
<b>Total</b>	<b>0</b>	<b>3,400,698</b>	<b>(3,400,698)</b>	<b>0</b>	<b>3,400,698</b>
<b>ND Business Computer Proj</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	3,400,698	(3,400,698)	0	3,400,698
<b>Total</b>	<b>0</b>	<b>3,400,698</b>	<b>(3,400,698)</b>	<b>0</b>	<b>3,400,698</b>
<b>Election Reform</b>					
Salaries - Permanent	55,130	64,977	19,263	84,240	0
Salary Budget Adjustment	0	0	0	0	131,185
Overtime	6,253	7,950	3,331	11,281	0
Fringe Benefits	25,868	28,945	6,719	35,664	0
Travel	5,321	6,885	15	6,900	0
Miscellaneous Supplies	708	380	620	1,000	0
Office Supplies	914	0	0	0	0
Postage	16	15	335	350	0
Printing	5	0	0	0	0
Office Equip & Furn Supplies	0	3,135	315	3,450	0
Rentals/Leases - Bldg/Land	1,527	0	0	0	0
Repairs	224	0	0	0	0

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**108 Secretary of State**
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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
IT - Data Processing	181,781	144,268	53,354	197,622	0
IT - Communications	1,216	980	1,520	2,500	0
IT Contractual Svcs and Rprs	5,151	2,818	114	2,932	0
Professional Development	600	1,200	800	2,000	0
Operating Fees and Services	1,495	0	0	0	0
Fees - Professional Services	329,117	295,725	84,400	380,125	0
Other Expenses	0	6,010,950	(5,689,014)	321,936	0
IT Equip/Sftware Over \$5000	0	0	3,000,000	3,000,000	0
Grants, Benefits & Claims	1,363,775	2,144,300	5,700	2,150,000	0
Transfers Out	30,263	0	0	0	0
<b>Total</b>	<b>2,009,364</b>	<b>8,712,528</b>	<b>(2,512,528)</b>	<b>6,200,000</b>	<b>131,185</b>
<b>Election Reform</b>					
General Fund	30,604	18,421	(18,421)	0	131,185
Federal Funds	1,874,193	8,544,107	(2,494,107)	6,050,000	0
Special Funds	104,567	150,000	0	150,000	0
<b>Total</b>	<b>2,009,364</b>	<b>8,712,528</b>	<b>(2,512,528)</b>	<b>6,200,000</b>	<b>131,185</b>
<b>Public Printing</b>					
Supply/Material-Professional	245,638	235,000	42,750	277,750	0
Office Supplies	165	250	0	250	0
Postage	3,211	4,300	2,700	7,000	0
Printing	17,451	94,000	(69,000)	25,000	0
Other Equip Under \$5,000	0	3,450	(3,450)	0	0
<b>Total</b>	<b>266,465</b>	<b>337,000</b>	<b>(27,000)</b>	<b>310,000</b>	<b>0</b>
<b>Public Printing</b>					
General Fund	266,465	337,000	(27,000)	310,000	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
<b>Total</b>	<b>266,465</b>	<b>337,000</b>	<b>(27,000)</b>	<b>310,000</b>	<b>0</b>
<b>Funding Sources</b>					
General Fund	5,371,641	6,180,009	(821,777)	5,358,232	3,991,197
Federal Funds	1,874,193	8,544,107	(2,494,107)	6,050,000	0
Special Funds	695,853	4,121,569	(3,391,397)	730,172	3,400,698
<b>Total Funding Sources</b>	<b>7,941,687</b>	<b>18,845,685</b>	<b>(6,707,281)</b>	<b>12,138,404</b>	<b>7,391,895</b>

**CHANGE PACKAGE SUMMARY**

108 Secretary of State

Biennium: 2011-2013

Bill#: SB2002

Date: 01/13/2011

Time: 08:49:31

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b><u>Base Budget Changes</u></b>						
<b>One Time Budget Changes</b>						
A-E 2 Remove 09-11 One Time Apprriations cGov360		0.00	(780,000)	0	0	(780,000)
A-E 3 Remove Emergency Commision - HAVA		0.00	(18,421)	0	0	(18,421)
A-E 4 Remove BND Loan - ND Business Development Engine		0.00	0	0	(3,400,698)	(3,400,698)
A-E 7 Remove 09-11 One Time Apprriations Elections		0.00	(55,000)	0	0	(55,000)
<b>Total One Time Budget Changes</b>		<b>0.00</b>	<b>(853,421)</b>	<b>0</b>	<b>(3,400,698)</b>	<b>(4,254,119)</b>
<b>Ongoing Budget Changes</b>						
A-A 10 Epollbook Equipment for Counties		0.00	0	3,000,000	0	3,000,000
A-A 8 Federal Election Operational Changes		0.00	0	(5,523,420)	0	(5,523,420)
A-A 9 Public Printing Operational Changes		0.00	(27,000)	0	0	(27,000)
Base Payroll Change		0.00	58,644	29,313	9,301	97,258
<b>Total Ongoing Budget Changes</b>		<b>0.00</b>	<b>31,644</b>	<b>(2,494,107)</b>	<b>9,301</b>	<b>(2,453,162)</b>
<b>Total Base Budget Changes</b>		<b>0.00</b>	<b>(821,777)</b>	<b>(2,494,107)</b>	<b>(3,391,397)</b>	<b>(6,707,281)</b>
<b><u>Optional Budget Changes</u></b>						
<b>One Time Optional Changes</b>						
A-D 6 cGov360 - Database and Processing Platform Migra	1	0.00	3,500,000	0	0	3,500,000
A-D 14 Blue Book Web Educational Tool	2	0.00	50,000	0	0	50,000
A-D 16 Health Care Directive Register	3	0.00	100,000	0	0	100,000
A-D 5 ND Business Development Engine	4	0.00	0	0	3,400,698	3,400,698
<b>Total One Time Optional Changes</b>		<b>0.00</b>	<b>3,650,000</b>	<b>0</b>	<b>3,400,698</b>	<b>7,050,698</b>
<b>Ongoing Optional Changes</b>						
A-C 13 SOS Operation Inflation and Operational Changes	1	0.00	195,000	0	0	195,000
A-C 11 Desktop Support from ITD	2	0.00	54,000	0	0	54,000
A-C 15 Public Meetings System	3	0.00	52,459	0	0	52,459
A-C 12 Election Reform Funding Source Change	5	0.00	131,185	0	0	131,185
A-C 17 MMA/Boxing	6	0.00	60,000	0	0	60,000

**CHANGE PACKAGE SUMMARY**

108 Secretary of State

Biennium: 2011-2013

Bill#: SB2002

Date: 01/13/2011

Time: 08:49:31

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Total Ongoing Optional Changes		0.00	492,644	0	0	492,644
Total Optional Budget Changes		0.00	4,142,644	0	3,400,698	7,543,342
<b><u>Optional Savings Changes</u></b>						
A-G 1 Optional 3% Savings Package	1	0.00	(151,447)	0	0	(151,447)
Total Optional Savings Changes		0.00	(151,447)	0	0	(151,447)

**BUDGET CHANGES NARRATIVE****108 Secretary of State****Bill#: SB2002****Date:** 01/13/2011**Time:** 08:49:31

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 8	<b>Priority:</b>
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## Federal Election Operational Changes

This change package reflects adjustments to reflect the projected 2011-13 election costs. Also, these changes will more accurately reflect the amount of federal funds remaining.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 9	<b>Priority:</b>
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## Public Printing Operational Changes

This change package reflects adjustments to reflect the projected 2011-13 public printing costs. Based on the letter provided by ND Legislative Council, they recommended not purchasing the Advance Code Service which resulted in a savings of about \$60,000. However, we estimated an increase in costs due to increased postage and the need to purchase both new and replacement sets of the Century Code. The overall net change is a decrease of \$27,000 to the public printing budget.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 10	<b>Priority:</b>
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## Epollbook Equipment for Counties

A new tool has been developed allowing poll books containing the names of voters who have voted in a precinct previously to move from a paper record to an electronic record. Using our Help America Vote Act money, we will purchase these devices for the counties wanting to use them and the counties will have five years to pay that money back to the state's election fund.

Currently 6 counties (Stark, Stutsman, Cass, Grand Forks, Ward, Williams and Stutsman) are successfully using Epollbooks.

<b>Change Group:</b> A	<b>Change Type:</b> C	<b>Change No:</b> 11	<b>Priority:</b> 2
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## Desktop Support from ITD

The Secretary of State's office needs to be able to purchase the desktop support service since the staff members in our office do not have the necessary time or skill needed to respond to all the desktop and device needs of the office. By purchasing this service from ITD, we are able to receive support from someone with a much greater skill level than what we could afford with the same budget in hiring our own support person.

This service will continue to be of great assistance as state agencies continue to move toward consolidation of technology. With the use of such things as Right Fax over the typical fax machine, networked as opposed to standalone printers, and the movement to unified communications, the service provided by ITD will be from people familiar with these utilities rather than one of us who would be required to learn it all over again each time we encounter technical difficulties. The ITD staff providing the support would also provide a valuable service in keeping us informed as to the current enterprise solutions recommended for use in state government.

Perhaps agencies with a larger number of staff members are able to justify the need for their own support staff members, but this would not be justifiable in the Secretary of State's office. Since the state has centralized information technology, the support should be centralized as well.

The Secretary of State's office recieved an estimate from ITD to provide desktop support. ITD estimated \$2,250 per month (\$54,000 for biennium) for a 1/4 time of destop

**BUDGET CHANGES NARRATIVE****108 Secretary of State****Bill#: SB2002****Date:** 01/13/2011**Time:** 08:49:31

support from one of their employees. To comply with the Governor's hold-even request, this adjustment is being made as an optional request; however, it is critical to the operations of our office.

<b>Change Group:</b> A	<b>Change Type:</b> C	<b>Change No:</b> 12	<b>Priority:</b> 5
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**Election Reform Funding Source Change**

Request transfer of funding for currently authorized FTE, who is the manager of the Election Administration System, from federal funds to state general funds. This position is critical for the administration of the voting systems in North Dakota and in the future beyond the availability of federal election funds.

<b>Change Group:</b> A	<b>Change Type:</b> C	<b>Change No:</b> 13	<b>Priority:</b> 1
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**SOS Operation Inflation and Operational Changes**

Our agency's operating line for basic office operations has remained somewhat fixed for several bienniums. Last biennium was one of the first bienniums we made a request to adjust our appropriation. To comply with the Governor's hold-even request, these adjustments are being made as an optional request; however, they are critical, not optional, to the successful operations of the department.

Significant changes include:

- \$20,000 increase for postage costs based on expenditures in the past and current biennium and projected increase in postage.
- \$15,000 increase in printing costs based on expenditures in the past and current biennium and projected increase from central duplicating and private vendors.
- \$160,000 increase in ITD costs based on estimate received from ITD. As stated in the 3% saving package narrative, ITD provided the SOS office with an estimated \$160,000 increase in costs for the 11-13 Biennium.

<b>Change Group:</b> A	<b>Change Type:</b> C	<b>Change No:</b> 15	<b>Priority:</b> 3
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**Public Meetings System**

Currently the Secretary of State office is the point of contact for public meeting data. The SOS office maintains an Excel spreadsheet with the public meeting details provided by state agencies. The spreadsheet is considered public record and is available to any person requesting a copy.

ITD has provided an estimate to create a new system for the public meeting data. The new system will allow agencies to post meeting notices themselves and allow the public to view the information online.

ITD's one-time cost for development: \$33,619

ITD's estimated on-going monthly costs for the system: \$785 a month (\$18,840 biennium)

Total Request: \$52,459

**BUDGET CHANGES NARRATIVE****108 Secretary of State****Bill#: SB2002****Date:** 01/13/2011**Time:** 08:49:31

Reference: WMS Work Order # 163094

WMS Service Request 1296410

<b>Change Group:</b> A	<b>Change Type:</b> C	<b>Change No:</b> 17	<b>Priority:</b> 6
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MMA/Boxing

N.D.C.C. § 53-01-02. states, "The secretary of state shall act as state athletic commissioner and administer this chapter. The secretary of state may appoint an athletic advisory board to assist and advise the secretary of state in matters relating to the regulation of boxing, kickboxing, and sparring. The secretary of state also may appoint a mixed fighting style advisory board whose members may include one or more members of the athletic advisory board. The secretary of state shall define the duties of each board. Board members are not entitled to compensation, except for reimbursement for actual and necessary expenses at the same rate as allowed state employees incurred in performing their official duties."

N.D.C.C. § 53-01-07. states, "The secretary of state shall supervise all boxing, kickboxing, mixed fighting style competitions, or sparring exhibitions held in the state....."

N.D.C.C. § 53-01-09. states, "All fees collected by the secretary of state pursuant to this chapter must be deposited in a special fund maintained in the state treasury. All money deposited in the fund is appropriated as a continuing appropriation to the secretary of state for administering this chapter and for the compensation and expenses of members of the athletic advisory board and the mixed fighting style advisory board."

The Athletic Commission Fund (Fund 302) revenue is used to cover expenses incurred by our commission members. Commission members are reimbursed for their mileage, per diem and lodging while attending an athletic commission event. The amount of revenue in the athletic commission fund only covers the expenses for our commission members. The salary and travel expense incurred by the secretary of state employees is funded from the secretary of state office budget. The number of athletic commission events has increased over the years; therefore this change package request is to assist in covering the expenses the SOS office incurs during athletic commission events. The request will cover travel expenses to the events and overtime paid to SOS employees since events take place on weekends.

Travel Cost Request \$21,500

Overtime Request: \$38,500

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 5	<b>Priority:</b> 4
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ND Business Development Engine

This is an enterprise wide project to be integrated with the business systems of at least 15 state agencies. It is a project approved in the last two legislative assemblies by the placement of an authorization to secure a Bank of North Dakota loan to finance the project dependent on receiving income from filing connected with Chapter 10-35 of the North Dakota Century Code. Unfortunately, the revenue has not been generated the last two bienniums. However, because of the merits of the project, it was ranked number 6 by the State Informational Technology Advisory Committee (SITAC) last biennium. The Secretary of State's budget has been identified as the agency where the

**BUDGET CHANGES NARRATIVE****108 Secretary of State****Bill#: SB2002****Date:** 01/13/2011**Time:** 08:49:31

funding for the project is to be placed and as the project's manager. The requested amount of \$3,400,698 is based on a budget estimate prepared by ITD dated July 24, 2008.

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 6	<b>Priority:</b> 1
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cGov360 - Database and Processing Platform Migration

In the 2007-2009 biennium, because of a dysfunctional architecture, the agency abandoned its partnership efforts with the North Carolina Secretary of State to implement a new platform to migrate its respective databases from the mainframe and the AS/400. This project had been approved for one-time funding of \$824,153. The project was terminated before the entire appropriation for the project was depleted.

With the support of Office of Management and Budget (OMB), the Legislative Information Technology Committee, and the state's Information Technology Department (ITD), the agency entered into a contract with a new vendor, CC Intelligent Solutions, Inc. (CCIS). The contract was executed for \$2,040,000 to be paid over a six-year period.

In the 2009-2011 biennium, the first installment of \$600,000 was funded from the agency's appropriation with additional funding provided with the approval of an optional request for \$780,000. These amounts represented a portion of the gross contract amount and were to cover the license fee and miscellaneous expenses for year two and year three, as itemized in the contract.

According to the contract, the license fee was to be lower in years four, five, and six. Based on that contract, the agency's optional request would be for \$600,000 consisting of \$120,000 for iteration payments (as carryover), \$450,000 for support and maintenance, and \$30,000 for travel from the project team from North Carolina.

Unfortunately, during the development process, CCIS encountered financial challenges and furloughed developers assigned to the agency's project. Although CCIS is working on a recovery plan, the Secretary of State is exploring all options in order to complete the project in case those efforts fail.

As one option, ITD has provided an estimate of \$3.5 million to complete the project. Based on that estimate, it is apparent that the final cost of the project with CCIS could exceed the original contract amount for payments beyond the scope of the bid. Therefore, the Secretary of State is requesting an optional request of \$3.5 million, based on the ITD estimate, to ensure adequate funds are available to complete the project, regardless if done by CCIS or a different vendor.

If CCIS is able to resume and complete the project, the cost of the project will be somewhat less than having the project completed based on the ITD estimate or contracting with another vendor. In that case, the unused appropriation would be a turn back from the agency at the completion of the project.

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 14	<b>Priority:</b> 2
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Blue Book Web Educational Tool

In 1995, the Secretary of State's office revived the publication of the *North Dakota Blue Book*. It contains information about the state that is not readily available in other publications. Since its resurrection, eight editions have been published and the ninth is currently being planned for 2011/2013.

**BUDGET CHANGES NARRATIVE****108 Secretary of State****Bill#: SB2002****Date:** 01/13/2011**Time:** 08:49:31

Because this valuable resource has not been easily available to students and researchers, this agency has partnered with the State Archivist at the State Historical Society to have all the *Blue Books* published since statehood scanned for placement on the internet. However, this presentation is limited.

The purpose of this request is to request funding to develop a intuitive web utility that will allow access to these books in an attractive, user friendly, exciting, easy to search, and inviting style. This feature is particularly important to enhance the education of all students, especially those in grade levels where North Dakota studies are part of the curriculum.

The *Blue Book* is too valuable of a resource not to have the unlimited access.

<b>Change Group:</b> A	<b>Change Type:</b> D	<b>Change No:</b> 16	<b>Priority:</b> 3
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Health Care Directive Register

The 2009 Legislative Assembly authorized the establishment of a Health Care Record Registry with the passage of Senate Bill No. 2237. N.D.C.C. § 23-06.5-19 states, "The secretary of state may establish and maintain a health care record registry, through which a health care record may be filed. The registry must be accessible through a website maintained by the secretary of state."

The registry would allow an individual to voluntarily file a detailed statement about his or her medical treatment preferences. It would allow 24/7 secure online access by authorized individual's to a person's health care directives and whether the registrant desires extraordinary measures to be used to prolong life.

The bill was supported by several organizations that advocated for the registry and that it would be a valuable service to individuals, especially those in the senior category.

Subsection 6 authorized the Secretary of State to accept funding from other sources to establish the registry without state funding. This request for general funds of \$100,000 is for establishing the registry.

<b>Change Group:</b> A	<b>Change Type:</b> E	<b>Change No:</b> 2	<b>Priority:</b>
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Remove 09-11 One Time Apprpriations cGov360

Removes \$780,000 in one-time expenditures for the cGov360 Database and Processing Platform Migration

<b>Change Group:</b> A	<b>Change Type:</b> E	<b>Change No:</b> 3	<b>Priority:</b>
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Remove Emergency Commision - HAVA

**BUDGET CHANGES NARRATIVE****108 Secretary of State****Bill#: SB2002****Date:** 01/13/2011**Time:** 08:49:31

This change removes the general fund authority granted by the Emergency Commission for the \$350,000 in additional HAVA funds that became available in 2010. In addition it removes the \$18,421 match that was approved by the Emergency commission.

<b>Change Group:</b> A	<b>Change Type:</b> E	<b>Change No:</b> 4	<b>Priority:</b>
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Remove BND Loan - ND Business Development Engine

Removes loan authority for the ND Business Development Engine that was not utilized in the 2009-11 biennium. The amount of the loan authority was \$3,400,698

<b>Change Group:</b> A	<b>Change Type:</b> E	<b>Change No:</b> 7	<b>Priority:</b>
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Remove 09-11 One Time Appropriations Elections

Remove one time funding for election match and interest.

<b>Change Group:</b> A	<b>Change Type:</b> G	<b>Change No:</b> 1	<b>Priority:</b> 1
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Optional 3% Savings Package

As requested by the Governor of each agency, this is the Secretary of State's Optional 3% Savings Package, which totals \$151,447.

The Secretary of State's operating line has remained relatively fixed for several bienniums. Because of this, the agency has had a historically fiscally conservative budget. Therefore, to achieve the goal of the savings package, the only option available to the agency was to reduce each sub-code within the operating line by 3%.

However, if the agency's budget is not restored to 100% benchmark, it will severely impact the operations of the agency. As it is, in a separate optional request, the agency is seeking an increase in its operating line to offset anticipated increased costs for postage and printing.

In addition, based on just maintaining current IT operations, the ITD prices for next biennium will result in an increase of approximately \$160,000 in the agency's operating line expenses. This, combined with the 3% savings optional package, would result in a reduction of \$311, 477 to the agency's operating line, which cannot be absorbed and still maintain services for agency customers.

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 2	<b>Priority:</b>
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SOS Operation Inflation & Operational Changes

Includes \$195,000 from the general fund for information technology and other operating cost expense increases.

**BUDGET CHANGES NARRATIVE****108 Secretary of State****Bill#: SB2002****Date:** 01/13/2011**Time:** 08:49:31

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 3	<b>Priority:</b>
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Desktop Support from ITD

Provides \$54,000 from the general fund for desktop computer support from ITD, which would provide approximately .25 FTE of support on a monthly basis.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 1	<b>Priority:</b>
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CGov360-Database & Processing Platform Migration

Provides \$3.5 million in one-time authority from the general fund to complete the cGov360 database and processing migration information technology project.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 4	<b>Priority:</b>
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Online Public Meeting Notice System

Provides \$43,039 from the general fund to develop an online public meeting notification system.